

CLAIMS

1. A method of conducting a transaction over a network of nodes including a user node associated with a user, a merchant node associated with a merchant of goods or services, a bank node associated with account information pertaining to the user, and a clearinghouse node, the method comprising at the clearinghouse node:

receiving a request from the user node for the purchase of at least one of the goods or services of the merchant,

determining whether the user is authorized to purchase the good or service by exchanging information with the bank node such that the bank node updates the user account information in the event of authorization,

if the purchase is authorized, sending notification of the authorization to the user node and merchant node such that the good or service is not provided until such notification is received by the merchant.

2. The method of claim 1 further comprising recording purchases and reducing the cost of the good or service in the event the user has previously purchased goods or services from other merchants.